





THE

TELEGRAPH SUBMARINE CABLE QUESTION.

We have much pleasure in reprinting our leaders of the 12th and 21st inst., at the request of the Hon. Senator Carvell, of Prince Edward Island, who took the initiative in directing public attention to the law under which his province was suffering from existing cable and telegraph monopolies.

We trust that a thorough ventilation and investigation of such growing monopolies may be the means of

arresting the evil which we have endeavored to place clearly, truthfully and succinctly before the Government and Legislators of the Dominion.

DANGEROUS LEGISLATION—IF ALLOWED.

(From the Daily Citizen of April 12th, 1880.)

There are now before Parliament some half dozen telegraph and telephone bills, asking charter privileges, which require very serious consideration, ere the country is committed to a policy which may bind a yoke of monopoly around the necks of the Canadian people for all time to come. Already it is impossible to communicate telegraphically between the various provinces of the Dominion, or between the Imperial Government of Great Britain and her North American possessions; without every despatch passing under the censorship of citizens and consequently of the

Government of the United States. In proof of such assertion, we place the following facts before readers generally, and then appeal to members on both sides of the House to protect Canadians from the continuous effects of local enactments, which have, step by step, thus far placed them under the supervision of a foreign government.

During 1854 (over a quarter of a century ago) an Act was passed in Newfoundland incorporating the New York, Newfoundland and London Telegraph Company, which gave the exclusive privilege of landing cables upon that island and its dependencies for the full period of fifty years. All the corporators, with one exception (we believe, Mr. F. N. Gisborne, now Government Superintendent of the Telegraph and Signal Service), were American citizens, and the association was centred and controlled as a pocket corporation in New York. This corporation finally disposed of its exclusive cable landing rights to the Anglo-American Company, who were thus

supposed to hold absolute practical control over the plateau of the Atlantic Ocean for electric cable communication. The Anglo-American Company subsequently laid the cables of 1856, 1865, 1866, 1873 and 1874, the three former having since been broken and abandoned, and the 1873 cable having given out on the 3rd inst, some forty miles west of Ireland, thus leaving them with only one out of their five cables in present working order. During 1869, the first French cable *via* St. Pierre and Miquelon to the United States was laid, thus proving that the shores of Newfoundland were not essential to cable working success; but the Anglo-American combination finally absorbed this enterprise, after half ruining the proprietors by reducing their tariff to a non-remunerative rate. Again, during 1875, the Direct Cable Company were successful in connecting England with Torbay, Nova Scotia, without landing either upon Newfoundland or St. Pierre, but the Anglo-American combination, by a similar system of warfare compelled them to pool or amalgamate interest;

and, lastly, an attempt is now being made to force the second French Cable Company into joining the association, by tactics which are still fresh in the minds of our readers. It must thus be evident to the world at large, that every successive attempt to obtain a healthy competition in cable tariff rates, but adds to the power of the gigantic monopoly with which the commerce of all nations is saddled, and, in fact, that it will hereafter be extremely difficult to obtain subscribers to any new enterprise which must first run the gauntlet of an unequal competition with an enormously wealthy corporation, or combination of corporations, and then but add another shackle to the chain which binds them to the monopoly which they vainly endeavored to overthrow.

And now, as to a remedy for this growing evil. During 1875 an Act was passed in Canada to regulate marine cable communication, and this Act expressly states that no telegraph company shall have the right

to land cables upon the shores of the Dominion without they yield reciprocal powers to other companies wishing to land cables in any country in which the charter-seekers possess exclusive landing privileges. And, moreover, that no companies who wish to land cables within the Dominion shall amalgamate or pool with other companies who hold and maintain such exclusive privileges.

The wisdom and justice of this Act is self-evident. The Dominion Government did not seek to interfere with existing rights, but simply said, "you shall not extend those rights beyond the original limits which you obtained when the world was in sympathetic admiration of your courage and enterprise a quarter of a century ago."

And now let us endeavor to unravel this No. 15 puzzle by which the Anglo-American combination is endeavoring to evade the wise Act of 1875 : First, as we have shown, the Anglo-American absorbs the New York, Newfoundland and London Telegraph Company.

Then the Western Union Telegraph Company (a purely United States Association of enormous wealth,) absorb the Nova Scotia and New Brunswick Telegraph Companies, and afterwards say to the Montreal Telegraph Company at Sackville, on the border line of Nova Scotia and New Brunswick, "thus far shalt thou go and not farther, with messages." Then the Anglo-American Combination transfer the shore ends of their cables in Cape Breton, Nova Scotia, to the Western Union Combination. Then the Direct Cable Company enter into a working contract with the Dominion Telegraph Company. Then the Anglo-American "gobbles up" the Direct Cable Company. Then the American Union Telegraph Company (also a purely United States Association) practically absorbs the Dominion Telegraph Company. Then the Montreal Telegraph Company seeks legislative powers to enable the Western Union Telegraph Company to absorb its remaining territorial rights, and finally, the Western Union Telegraph Company, and the American Union Telegraph Company (both purely United States

enterprises) stand face to face, with the avowed intent that the one shall swallow up the other, and thus, telegraphically, rule the whole continent of America, under United States management. So bold a design requires some generalship, however, and hence some of the numerous bills now before Parliament, the passage of any one of which, without a saving clause in confirmation of the Act of 1875, will make a breach through which the Grand Combination will march in triumph. We shall, in another article, endeavor to analyse the various Telegraph and Telephone Bills now passing through regular stages before Parliament; but, having sounded a warning note, all we ask is that no hasty legislation may place the Dominion of Canada, and through it the commercial interests of the whole world, in a position that our children, and, perhaps, our children's children, may have just cause to reproach us for. Even the United States Government have taken the alarm, and are now legislating in accordance with the provisions of our own Act of

1875, for, before landing powers were granted to the second French Cable Company, it was stipulated that they should not pool or amalgamate with any company which held exclusive landing privileges in any other country, and hence the determination of existing combinations to render null and void the protective enactments now in force within the Dominion.

THE TELEGRAPH QUESTION.

From the Daily Citizen of April 21st, 1880.

Referring our readers to the leading articles upon telegraph matters in our issues of 12th, 14th and 15th instant, but more particularly to the historical *résumé* of 12th instant, let us now endeavor to take in the situation, and then to find some remedy for the enormous evils therein exposed. As the Marine Telegraph Law of 1875 now stands, we have power to

demand that the Anglo-American combination shall remove their submarine cable connections with Cape Breton, Nova Scotia, or forego exclusive monopoly rights over the shores of Newfoundland and Prince Edward Island, said rights having already been proved by practical science to be of little and fast diminishing commercial value. Such power, we maintain, is at our command, and if a strictly legal course was pursued, we can compel the relinquishment of such exclusive rights and privileges, for, be it remembered, that the Anglo-American combination cannot land their cables elsewhere, in consequence of the enactment which prevented the second French company landing their cable upon the shores of Massachusetts until they signed an express proviso in unision with our own Act of 1875. To such an assumption of power we have hitherto been met with the threat that the whole civilized community would denounce an arbitrary proceeding, which might, for a time at least, deprive the world of all transatlantic communication; and, moreover, that it would be an act of in-

justice thus to interfere with vested privileges acquired by the risk of large capital and by indomitable enterprise—privileges which have, moreover, been enjoyed for a long period under the assumption that (in so far as the shores of Nova Scotia are concerned) the Western Union, Telegraph Company had the power to confer landing privileges. We admit the force of such arguments, and state at once that we do not propose that our Government should cancel such time-honored privileges; but we do maintain that we have a perfect right, with law and justice on our side, to say to the Direct Cable Company, and to all other cable companies: "You must annul your pooling and amalgamation arrangements with the Anglo-American Combination, or remove your cables from our shores." Such an order would be immediately effective, as already proved, for the Company cannot land in any other country without becoming amenable to a statute similar to our own. What, then, would be the situation under such a changed aspect of affairs? First, we have the Anglo-American combination, with a capital

of about £7,000,000 sterling, representing three totally extinct cables and three (one being the acquired first French cable) in working order, the late break in the 1873 cable being now repaired. Secondly, we have the Direct Cable Company, with a capital of about £1,000,000 and one first-class cable. And thirdly, there is the New French Cable Company, with a similar capital and with the best cable hitherto manufactured. The acquisition, therefore, of the Direct Cable by the Anglo-American combination, with an augmented capital of about £8,000,000, places the monopolists in possession of four working cables, representing a wealthy constituency, with large reserve funds, who can thus "sit upon" the new French or any future company until forced into their association for self-preservation. Presuming, however, that we deprive, as we can do, the Anglo-American Alliance of the Direct Cable influence, and forever destroy the power of absorption now so unscrupulously exercised by the Anglo-American combination with such dire effect upon all cable enterprises, the mani-

fest result must be that we shall have the Anglo-American combination, with their three cables and £7,000,000 of representative capital, brought into competition with the two cables of the Direct and New French Cable Company, with a representative capital of about £2,000,000 only. And with what result? Either the Anglo-American combination must reduce the tariff rate to 50 cents per word, as originally pledged to the world by the Direct and both French Companies, or the Anglo-American, in order to hold fast its pooling arrangements with the First French and Direct Cable Companies, and also to enable them to maintain their powers of coercion over the Second French and all future cable enterprises must abandon their monopoly rights in Newfoundland and Prince Edward Island, and thus enable both the Imperial and Dominion Governments to exercise their legitimate rights within British possessions. Seeing that Newfoundland is not the key to the continent of America for telegraph purposes, we have little doubt

as to the choice of the Anglo-American combination ; but in either case, if our rulers do their duty, the public will be the gainers, either by a material reduction in tariff rates, or by free telegraphy ; and we demand, therefore, the strict maintenance of our laws and a just and prompt settlement of the vexed question at issue.

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